



**CITY OF KIRKLAND**  
**Department of Public Works**  
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800  
[www.kirklandwa.gov](http://www.kirklandwa.gov)

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**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Patrick Herbig, P.E., Project Engineer  
David Snider, P.E., Capital Projects Manager  
Kathy Brown, Public Works Director

**Date:** December 11, 2014

**Subject:** KIRKLAND ITS IMPLEMENTATION PHASE IB PROJECT  
REJECT BIDS

**RECOMMENDATION:**

It is recommended that City Council:

- Rejects all bids for the Kirkland Intelligent Transportation System (ITS) Implementation Phase IB Project, and
- Authorizes staff to re-advertise for contractor bids.

**BACKGROUND DISCUSSION:**

The ITS Phase I Project will upgrade traffic signal equipment, interconnect traffic signals, and add data collection and field monitoring equipment at various locations throughout the City. The City completed the Phase IA Project earlier this year with the construction of the new Traffic Management Center (TMC) inside City Hall. With new field equipment installed under this Phase IB contract, direct communication and control between the new Phase IB field devices and the TMC will be achieved. Specific equipment elements for Phase IB include new signal cabinet assemblies, signal controllers with accessible pedestrian signals (APS), closed circuit television (CCTV) cameras for traffic monitoring, video detection, fiber optic communications, and central control hardware and software.

The Phase IB Project will provide for the installation of the new signal equipment along two major City (and regional) arterial corridors leading to and from downtown Kirkland (Attachment A):

1. Lake Washington Blvd/Market Street/98-100th Ave NE Corridor
2. Central Way/NE 85th Street Corridor

The overall ITS Phase I Project had an original budget of \$2,081,000, comprised of a \$1,800,000 of a federal Congestion and Mitigation of Air Quality (CMAQ) grant and \$281,000 in City funding. The Phase IA Project (the TMC) was completed at a total cost of \$322,600, including all construction and equipment costs with \$274,000 coming from CMAQ and \$48,600 in City funds.

With increased costs associated with the design and construction of the new Federal and WSDOT requirements for Americans with Disabilities (ADA), specifically as they relate to the addition of Accessible Pedestrian Signal (APS) components, staff sought a budget increase of \$90,000 using REET 2 reserves. At the September 16, 2014, meeting City Council approved that request and the Project budget increased to \$2,171,000; City Council also authorized staff to advertise for contractor bids.

On October 29, 2014, the City received five contractor bids and, at their meeting of November 18, 2014, the City Council approved staff's original recommendation to award a contract to the apparent low bidder, Prime Electric Inc., in the amount of \$391,075.74.

Based on the results of the bid and through a standard responsiveness check of the apparent low bidder, however, staff's original recommendation to City Council for award of the contract was premature after a miscommunication between City staff and the Local Programs Office of the Washington State Department of Transportation (WSDOT), the grant administrators for this Project. Specifically, WSDOT required more information from the contractor on the Disadvantage Business Enterprise (DBE) goal that had been established for the Project by the Federal Highway Administration.

At the time of the bid opening, the apparent low bidder submitted paperwork that indicated they had taken 100% credit for a total commitment for materials being supplied by a DBE supplier, as shown on the required Written Confirmation form. As per the requirements of the established DBE participation level, only 60% of that amount can be counted towards the overall DBE goal for the Project. A more complete breakdown of the contractor's paperwork was subsequently requested by the DBE Compliance Official and it was established by WSDOT that the apparent low bidder was not able to take full credit for the amount originally submitted on their Utilization Certification. Based on this, the apparent low bidder was subsequently deemed "non-responsive" by the Federal DBE Compliance Official due to the fact that the amount of DBE attainment fell below the goal specified for the Project.

After reviewing the results of the DBE concurrence from WSDOT, and upon consulting with the City Attorney's Office, Public Works staff is now recommending the rejection of all bids received on October 29, 2014, and is seeking authorization to re-advertise the Project for new contractor bids. While the City has limited experience on the re-bidding of projects such as the subject one, staff does concur with industry standards that suggest a re-bid will likely result in a higher "low-bid" price than originally received. At this time, staff is not requesting a budget adjustment; however, staff wishes to inform City Council that once bids are opened and all DBE requirements are fully satisfied, there may be a need to request additional funds in order to award the subsequent contract. If that is the case, staff will return to City Council with a recommendation for award including a source for additional funds needed, if any.

With City Council approval for the rejecting of all bids and the re-advertising of the Phase I Project, bids will be opened in January followed by an award recommendation in February, 2015. While there is a companion ITS Phase II Project that is currently in the final engineering stage, the delay caused by the re-bidding of Phase I does not have any adverse impact on the schedule of that next Phase.

Attachment A: Vicinity Map

